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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 006289

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TAGS: PGOV PHUM KDEM TH

SUBJECT: THAKSIN'S THAI RAK THAI FACES UNCERTAIN FUTURE

REF: A. BANGKOK 5972 (ABHISIT ON COUP)

¶B. BANGKOK 1301 (SNAP ELECTION)

Classified By: Political Officer David R. Greenberg, reason 1.4 (b) and (d).

SUMMARY

¶1. (C) In the aftermath of the September 19 coup d'etat, many leading figures have fled Thai Rak Thai (TRT), the party of deposed caretaker Prime Minister Thaksin Shinawatra. Thaksin himself submitted a letter of resignation from the position of party leader -- a move that should dissolve the party's executive board, per the party bylaws. The Constitutional Tribunal established by the coup leaders should soon consider a case, initiated prior to the coup, involving TRT legal transgressions; this case could lead to TRT's dissolution and a five-year ban from politics for top TRT figures. Many TRT figures also face scrutiny from newly established bodies charged with investigating corruption. The principal beneficiaries from TRT's collapse are unclear. While TRT may have no future as a political party, the coup leaders may find it difficult to eliminate pro-Thaksin and pro-TRT sentiment in the party's populous strongholds. End Summary.

FLEEING A SINKING SHIP

¶2. (U) Soon after the September 19 coup d'etat, leading TRT officials began resigning from their positions on the party executive board; many resigned their party membership as well. As of mid-October, a devastating number of top figures had jumped ship, including Suriya Jungrungreangkit, the party Secretary General; Somsak Thepsuthin, leader of the Wang Nam

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Yom faction (TRT's largest grouping); Pinij Jarusombat, another prominent faction leader; Suranand Vejjajiva, the party spokesman; and Somkid Jatusripitak, who, prior to the coup, had been seen as the figure most likely to keep TRT united in the event of Thaksin's withdrawal from politics. At last count, approximately half of the members of TRT's 119-person executive board have resigned, as had over 100 who held seats in the now-dissolved parliament (many also being executive board members).

¶3. (U) Ensconsed in London, Thaksin sent a letter dated

October 2 to the TRT executive committee. In this letter, publicized the following day, Thaksin, citing the coup, said he had no choice but to resign immediately from his position as party leader. He suggested that this move would allow the party members to elect a new executive committee. It also would provide an opportunity for those who wished to change their political path to do so.

WHO'S IN CHARGE?

¶4. (C) It remains unclear, however, whether Thaksin's resignation letter has had legal effect. According to the law on political parties, changes to the composition of a party's executive committee must be submitted to the Election Commission's registrar. As of October 12, officials at the Election Commission told us they had received no notification from TRT of Thaksin's resignation.

¶5. (U) TRT's bylaws stipulate that the party executive board is to be dissolved upon the resignation of the party leader; within 45 days, the party should hold a general meeting (i.e., a party congress) in order to select a new executive board. Until that time, the old board assumes caretaker status, and the top deputy leader steps up to become acting party leader.

¶6. (C) Sudarat Keyuraphan, TRT's top deputy leader, was outside of Thailand when the coup took place. She returned a few days later, saying she would take a break from politics and cooperate with the coup leaders. After Thaksin resigned, she publicly declined to step up as acting party leader. Nevertheless, a TRT politician told us on October 11 that Sudarat appears to remain the most significant link between TRT and Thaksin.

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¶7. (C) The press reported on October 12 that TRT deputy leader Chaturon Chaisaeng, had been selected as acting party leader. However, a TRT contact denied to us that any such selection had taken place, saying the press reports distorted the views of TRT deputy leader Pongtep Thepkanchana (also seen as a leading candidate to take over what remains of TRT). It was not possible for TRT to install new leadership, as the Council for Democratic Reform (CDR) Order No. 15 (dated September 21) prohibited political parties from holding meetings or carrying out activities.

LEGAL CASE ADVANCING

¶8. (SBU) Meanwhile, TRT faces a legal battle for its survival; even prior to the coup, the Office of the Attorney General had recommended that the Constitutional Court dissolve TRT for fraudulently promoting weak competitors in April's election. (Ref B explains TRT's motive for doing so.) This case is proceeding under the current interim administration. On September 30, the CDR issued Announcement No. 27, which included provisions strengthening the penalties for members of executive boards of dissolved political parties. Previously, such figures could not take on key positions in political parties for five years; under the new guidelines, such figures lose their voting rights for five years. (The 1997 Constitution disallowed those without voting rights from election to parliament, and, therefore, from cabinet positions as well. We suspect the next constitution will also contain similar provisions.)

¶9. (C) Some observers see the CDR's Announcement No. 27 as a signal to the new Constitutional Tribunal -- which has taken on the cases of the old Constitutional Court -- that the coup leaders would welcome TRT's dissolution. Others, however, believe that the coup leaders would not want to further agitate Thaksin's supporters by encouraging TRT's dissolution. It is not clear that the Tribunal's ruling will

be determined by political considerations. Even before the coup, it appeared that the legal case against TRT was very strong, but the courts might have been reluctant to challenge the Prime Minister, and also to face the repercussions of dissolving Thailand's largest party. We are not aware of the Tribunal's timetable, if one has been set, for considering this case.

¶10. (C) Dissolution of TRT, and the accompanying five-year disenfranchisement of its top officials, represent one way to neutralize the former TRT leadership. Also, the coup leaders established a new National Counter Corruption Commission, as well as a special Asset Examination Committee (AEC) to investigate Thaksin administration projects. The AEC has prioritized eight cases which involve numerous TRT figures, including former Secretary General Suriya Jungrungreangkit, Bhokin Khalakula, Newin Chidchob, and others. Additional cases can also be revived against others; former Deputy Prime Minister Suwat Liptapanlop, who held the number three position on TRT's party list in 2005, has long been linked to irregularities in a water treatment plant project. It is unclear whether the RTG is likely to uncover evidence implicating Thaksin directly, despite widespread charges that his administration was both corrupt and authoritarian.

OTHER PARTIES TO BENEFIT?

¶11. (C) Democrat Party (DP) leader Abhisit Vejjajiva told the Ambassador recently that he did not foresee his party expanding quickly into the vacuum left by TRT, particularly as DP was not courting the more influential faction leaders (ref A). DP Spokesman Ong-Art Klampaiboon reiterated this point to us; DP did not want to attract TRT figures associated with money politics. Ong-Art said that prior to the coup, many TRT faction leaders had established new political parties as backup vehicles. He expected most faction leaders to reemerge with their own parties. Nevertheless, some longtime practitioners of backroom deals, such as Banharn Silapa-Archa and Sanoh Tienthong (leaders of the Chart Thai and Pracharat parties, respectively), could well attract former TRT figures, improving their prospects in the next election.

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¶12. (C) Former TRT Spokesman Suranand told us that former Deputy PM Somkid was the key figure to watch; Somkid had the best prospects of unifying TRT figures in a new party that would appeal to TRT's base. Media reports have speculated about a new party combining the popular image of Somkid with Somsak's large northeastern Thailand base of support. However, Suranand and other politicians have told us that most TRT figures are in a "wait and see" mode. Not only are political activities currently prohibited, but the framework and rules for the next election remain undefined.

JUNTA GRABBED POWER -- BUT HEARTS AND MINDS?

¶13. (C) Before the coup, TRT appeared likely to gain at least a plurality, if not an outright majority, in elections which had been anticipated for November 2006. Thaksin and TRT appeared genuinely popular, having won the appreciation of many of Thailand's less privileged voters for having implemented populist policies. Interim Prime Minister Surayud Chulanont has shown a desire to court TRT's base; some believe Surayud's administration is reluctant to lift martial law before at least calming (if not coopting) TRT supporters. Surayud plans an October 13 trip to northeastern Thailand, TRT's major stronghold. His administration is retaining key TRT initiatives, such as village development funds and major subsidies for health care -- although the political class often derided the latter as having a corrosive effect on the health care system, and the former as a type of payoff to local chieftans.

COMMENT

¶14. (C) TRT's leadership, already suffering from factionalism before the coup, is now in disarray, and the party could be formally dissolved in the coming weeks. But TRT, and Thaksin, may remain popular with large segments of Thailand for months if not years to come. The person or party best able to understand and appeal to TRT's base could wield substantial influence in the post-coup era.

BOYCE